

# SENATE BILL REPORT

## SB 5705

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As of February 14, 2017

**Title:** An act relating to inspection and review of state contracted behavioral health and recovery agencies.

**Brief Description:** Concerning inspection and review of state contracted behavioral health and recovery agencies.

**Sponsors:** Senators Becker, O'Ban, Rivers, Bailey, Miloscia, Schoesler, Warnick, Brown, Zeiger and Honeyford.

**Brief History:**

**Committee Activity:** Human Services, Mental Health & Housing: 2/15/17.

**Brief Summary of Bill**

- Provides that the Department of Social and Health Services (DSHS) should not improperly reduce the number of license violations found by field inspectors to allow licensees to avoid closure and place public safety at risk.
- Prohibits settlement agreements that reduce the number of violations unless DSHS finds, based on evidence, that the licensee did not commit those violations.
- Requires DSHS to issue an annual report describing all settlement agreements in licensing disputes with behavioral health providers.
- Prohibits sham transfers of behavioral health licenses to a family member of the licensee for the purpose of reducing the number of license violations.

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**SENATE COMMITTEE ON HUMAN SERVICES, MENTAL HEALTH & HOUSING**

**Staff:** Kevin Black (786-7747)

**Background:** DSHS certifies and licenses behavioral health providers. Part of the license and certification process is the creation of rules for providers to follow related to health and safety and other legal requirements. DSHS audits compliance of its provider with agency

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rules. DSHS's power to enforce its regulations includes the ability to take administrative sanctions including the suspension or revocation of a license or certification. An administrative appeals process is available for providers to dispute administrative actions taken by the agency. Appeals of administrative actions are sometimes resolved by settlement agreement between DSHS and the licensee or certification holder.

**Summary of Bill:** The state finds that DSHS should not engage in improper and inappropriate reduction of the number of license violations found by DSHS field inspectors for the purpose of allowing an agency licensee to avoid liability and allow the violating agency to stay open at the risk of public safety. Any settlement agreement entered with a licensee to resolve administrative complaints or license violations, suspensions, or revocations may not reduce the number of violations reported unless DSHS concludes, based on evidence gathered by inspectors, that the agency did not commit one or more of the violations.

DSHS must issue an annual report to the Legislature containing a detailed overview of each settlement agreement entered resolving an administrative complaint or license violation, suspension, or revocation between DSHS and a behavioral health licensee.

Transfers of behavioral health licenses to a family member of the licensee are prohibited for the purpose of avoiding liability or to reset the number of license violations found before the transfer. Transfers of license should be made solely for the purpose of remedying license violations and achieving full compliance with the terms of the license.

**Appropriation:** None.

**Fiscal Note:** Requested on February 15, 2017.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: This bill came about because of office contacts about a problem at DSHS. In some clinics, persons were allowed to pay a bribe to get out of substance use disorder treatment requirements. An owner of an agency sued after this was discovered during an inspection and DSHS settled by lowering the number of violations it found and barred the surveyor from going back to that provider again. This is one of the most egregious abuses of government I've ever seen. The safety of our families and other drivers is affected by these abuses. This bill is a start to make agencies accountable.

**Persons Testifying:** PRO: Senator Randi Becker, Prime Sponsor.

**Persons Signed In To Testify But Not Testifying:** No one.